



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331

Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **AV-0**

June 20, 2002

TO: Each Supervisor

FROM: James A. Noyes
Director of Public Works

PROPOSED AGENDA DATE: JULY 2, 2002
AMENDMENT NO. 4 TO CONTRACT AGREEMENT NO. 64424
FOR THE MANAGEMENT, OPERATION, AND MAINTENANCE
OF THE COUNTY AIRPORTS

Attached is a fact sheet summarizing the main points to be covered in the Board letter scheduled to be heard on the July 2, 2002, Agenda, recommending that the Board approve Amendment No. 4 to Agreement No. 64424 for the management, operation, and maintenance of the County airports.

TAG:sds

EFILES/AACCONTRACTAMEND#4ESLTRHD

Attach.

cc: Supervisor Gloria Molina (Nicole Englund)
Supervisor Yvonne Brathwaite Burke (Chuck Bookhammer)
Supervisor Zev Yaroslavsky (Maria Chong-Castillo)
Supervisor Don Knabe (Curt Pedersen)
Supervisor Michael D. Antonovich (Conal McNamara)
Chief Administrative Office
Executive Office

FACT SHEET

APPROVE AMENDMENT NO. 4 TO AGREEMENT FOR THE MANAGEMENT, OPERATION, AND MAINTENANCE OF THE COUNTY AIRPORTS PROPOSED AGENDA DATE: JULY 2, 2002

Request

Approve Amendment No. 4 to Agreement No. 64424 for the management, operation, and maintenance of the County's five airports, eliminating the annual minimum gallons for the aviation fuel sales, reducing the flowage fee \$0.05 per gallon on aviation gasoline and \$0.23 per gallon on turbine fuel, and requiring the contractor to begin compliance with several Board-mandated contract policies established after the initial contract was awarded, including the County's Living Wage Program.

Financing

Based on the Aviation fuel sales at the five County airports over the past 12 months, this proposed amendment will initially reduce the annual income to the Aviation Enterprise Fund by \$115,570. This initial loss of revenue should be made up over time from increased fuel and lease revenues because of the enhanced business climate on the airports.

Our contractor, American Airports Corporation, has indicated that compliance with the Living Wage Program will increase their annual costs by approximately \$120,000. Sufficient revenues will continue to be generated for the Aviation Enterprise Fund to maintain and improve the five County-owned airports. There will be no negative impacts to the County General Fund.

Justification

This proposed amendment will result in a better business environment on the airports and retention of experienced airport employees.

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